

Topic : Foreign Subsidies in the Single Market

Brief description and main aims:

In June 2020, the European Commission published its White Paper on levelling the playing field as regards foreign subsidies. European Commission The White Paper on Foreign Subsidies set out a number of ideas on how to remedy the distortive effects of foreign subsidies in the EU Single Market.

In May 2021, the European Commission followed-up on the White Paper and published a proposal for **Regulation on Distortive Foreign Subsidies in the EU Single Market**. Under the proposed Regulation, the Commission will have the power to investigate financial contributions granted by public authorities of a non-EU country which benefit companies engaging in an economic activity in the EU and redress their distortive effects, as relevant. The Regulation proposes the introduction of three tools, two notification-based and a general market investigation tool. This includes a notification-based tool to investigate **bids in public procurements** involving a financial contribution by a non-EU government, where the estimated value of the procurement is €250 million or more.

Why FIEC is dealing with this topic:

FIEC treats this issue in cooperation with the European International Contractors (EIC) and the European Dredging Association (EuDA). The reasons why FIEC is dealing with this topic are similar to the ones for the International Procurement Instrument (IPI).

In the last years, we observe a growing number of huge public infrastructure projects being awarded to Chinese State-owned enterprises (SOEs) submitting extremely low prices against which private European companies cannot compete.

The Regulation on Distortive Foreign Subsidies in the EU Single Market can, if properly designed, lead to the **exclusion of third country state-owned enterprises from public procurement procedures**.

Actions and key dates:

17/06/2020 - European Commission publishes White Paper on Foreign Subsidies

22/09/2020 – [FIEC contributes to European Commission's public consultation](#)

10/2020-05/2021 – FIEC holds several meetings with European Commission officials and Member of the European Parliament

05/2021 – European issues Proposal for a Regulation on Distortive Foreign Subsidies

05/2021 - Launch of [interactive map](#) *Third country state-owned enterprises in the European procurement market*

24/09/2021 – FIEC [Position Paper](#)